

City of Binghamton



Annual Financial Report
Fiscal Year Ended December 31, 2010

THE CITY OF BINGHAMTON, NEW YORK
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2010

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of City Council
of the City of Binghamton, New York

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the CITY OF BINGHAMTON, New York, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Binghamton, New York's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1 to the financial statements, management has not recorded certain general infrastructure assets in governmental activities and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those general infrastructure assets be capitalized and depreciated, which would increase the assets, net assets, and expenses of the governmental activities. The amount by which this departure would affect the assets, net assets, and expenses of the governmental activities is not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of the City of Binghamton, New York, as of December 31, 2010, or the changes in financial position thereof for the year then ended.

In addition, in our opinion except as noted above, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Binghamton, New York, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

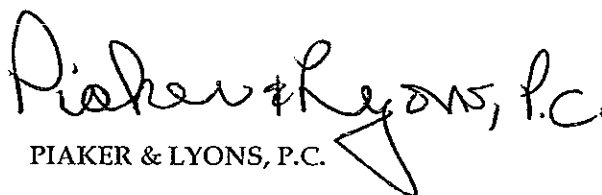
Piaker & Lyons

Honorable Mayor and Members of City Council
of the City of Binghamton, New York

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2012, on our consideration of the City of Binghamton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedule of pension plan funding progress, the schedule of funding progress for the OPEB liability and the budgetary comparison schedules - General, Sewer, Golf, Parking Ramps, Water, and Refuse Funds be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Binghamton, New York's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.


PIAKER & LYONS, P.C.

Binghamton, New York
June 5, 2012

City of Binghamton, New York

Management's Discussion and Analysis

As management of the City of Binghamton, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with financial statements, which immediately follow this section.

Financial Highlights

- The assets of the City of Binghamton exceeded its liabilities at the close of the most recent fiscal year by \$29,264,978 (*net assets*). The government's total net assets increased by \$7,214,593.
- As of the close of the current fiscal year, the City of Binghamton's governmental funds reported an increase of \$3,511,368 in comparison with prior year. The City appropriated approximately \$350,000 from prior years unreserved fund balances in the 2011 operating budget. The unused appropriated fund balance appropriation is available for use in future years.
- At the end of the current fiscal year, total fund balance for the general fund was \$6,420,730, or 12.0% of total general fund revenues.
- The City of Binghamton's governmental activities long-term liabilities increased by \$3,166,677 during the current fiscal year.
- GASB 45 was implemented for the year ending December 31, 2008. This statement requires recognition of other post employment benefits (health insurance) expense and liability. As per actuarial study the City's OPEB is \$20,730,806. See Note 11 for a complete analysis.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. Current year financial information is presented in this discussion and analysis with comparison to prior year financial information.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets (with the exception of infrastructure assets completed prior to January 1, 2003) and liabilities, with the difference between the two reported as *net assets*. Under current accounting principles, retroactive reporting or infrastructure assets was required in fiscal year 2007. Acquisitions of infrastructure that have taken place during the current fiscal year have been capitalized or included in construction in progress. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, e.g., uncollected taxes and compensated absences.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government support, public safety, health, transportation, culture and recreation, and home and community services.

The government-wide financial statements include the City as the primary government, and Binghamton Local Development Corporation and Binghamton Urban Renewal Agency are component units for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 13-14 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

The City of Binghamton maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, community development block grants, sewer fund, and the capital fund, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its governmental funds, except for the Community Development Block Grant, Section 8 Housing Assistance, and Capital Projects Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

Proprietary funds. The City maintains two proprietary funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Internal Service Fund and the enterprise fund for the Regency Hotel.

The basic proprietary fund financial statements can be found on pages 19-21 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for governmental funds.

The basic fiduciary fund financial statements can be found on pages 22-24 of this report.

Component Units. As discussed above, component units are legally separate entities for which the City is financially accountable. The component units addressed above are reported in aggregate in the government-wide financial statements.

The condensed statements for the component units can be found in the notes to the financial statements on pages 29-30.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 25 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the budget and actual schedules for the major governmental funds. These required schedules and notes to the schedules can be found on pages 52-60.

Combining statements for nonmajor governmental funds are presented immediately following the required supplementary information on pages 61-62 of this report.

Government-wide Financial Analysts

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$29,264,978 at the close of the 2010 fiscal year.

City of Binghamton's Net Assets

	2009 Governmental Activities	2010 Governmental Activities
Current and other assets	\$ 50,320,404	\$ 51,469,323
Capital assets, net of accumulated depreciation	<u>136,631,106</u>	<u>145,957,999</u>
Total assets	<u>186,951,510</u>	<u>197,427,322</u>
Long-term liabilities	112,870,651	116,037,328
Other liabilities	<u>52,030,474</u>	<u>52,125,016</u>
Total liabilities	<u>164,901,125</u>	<u>168,162,344</u>
Net assets:		
Invested in capital assets, net of related debt	10,038,740	23,603,767
Restricted	12,628,400	13,135,273
Unrestricted	<u>(616,755)</u>	<u>(7,474,062)</u>
	<u>\$ 22,050,385</u>	<u>\$ 29,264,978</u>

The portion of the City's net assets represented by its investment in capital assets, e.g., land, buildings, and equipment, less any related debt used to acquire those assets that is still outstanding is \$23,603,767. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

The City's net assets are comprised of resources that are subject to external restrictions on how they may be used and of unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.

The government's net assets increased by \$7,214,593 during the current fiscal year ended December 31, 2010. This is attributable to revenues exceeding expenses in 2010. Contributing factors were an aggressive pursuit of capital grants (up \$2.1M from 2009), which included FEMA reimbursements for the Joint Sewage Treatment Plant from the 2006 flood, a refund of prior years expenses of \$1.9M and the effect of a \$1.1M loss on property sale reflected in the 2009 revenues. Careful budgeting and expense monitoring helped reduce General and Public Safety expenses by \$1.3M.

City of Binghamton's Changes in Net Assets

	2009 Governmental Activities	2010 Governmental Activities
Program Revenues:		
Charges for Services	\$ 19,892,847	\$ 22,169,660
Operating Grants and Contributions	5,899,143	5,529,276
Capital Grants and Contributions	2,850,205	5,115,669
General Revenues:		
Property Taxes	29,555,385	31,140,116
Real Property Tax Items	10,280,647	10,440,339
Investment Earnings and Rental Fees	968,633	895,034
State Aid	10,268,287	9,957,769
Miscellaneous	1,050,102	1,629,031
Refund of Prior year expenses		1,905,431
Loss on Sale of Property and Compensation for Loss	1,215,177	(369,354)
Total Revenues	<u>81,980,426</u>	<u>88,412,971</u>
Expenses:		
General government support	10,109,738	9,643,692
Public Safety	37,471,250	36,578,402
Health	71,613	53,643
Transportation	1,881,379	4,543,553
Culture and recreation	4,850,461	4,167,679
Home and community services	23,152,853	22,061,901
Debt Service	3,923,582	4,117,508
Total expenses	<u>81,460,876</u>	<u>81,166,378</u>
Transfers	<u>30,000</u>	<u>32,000</u>
Increase (decrease) in net assets	<u>489,550</u>	<u>7,214,593</u>
Net assets - Beginning	21,560,835	22,050,385
Add-Infrastructure acquired prior to 2003	<u>-</u>	<u>-</u>
Net assets - Ending	<u><u>\$ 22,050,385</u></u>	<u><u>\$ 29,264,978</u></u>

Governmental activities. Governmental activities increased the City's net assets by \$7,214,593. The key element of this increase was the increase in net revenues in Home & Community Service.

Net Cost of Governmental Activities:

	2009	2010	2009	2010
	Total Cost of <u>Services</u>	Total Cost of <u>Services</u>	Net (Cost) Revenue <u>of Services</u>	Net (Cost) Revenue <u>of Services</u>
General Government Support	\$ 10,109,738	\$ 9,643,692	\$ (8,391,141)	\$ (7,930,413)
Public Safety	37,471,250	36,578,402	(35,552,091)	(34,221,841)
Health	71,613	53,643	(69,747)	(51,709)
Transportation	1,881,379	4,543,553	405,607	(2,702,088)
Culture and Recreation	4,850,461	4,167,679	(3,792,045)	(3,993,190)
Home and Community Services	23,152,853	22,061,901	(1,495,682)	4,664,976
Debt Service	3,923,582	4,117,508	(3,923,582)	(4,117,508)
	<u>\$ 81,460,876</u>	<u>\$ 81,166,378</u>	<u>\$ (52,818,681)</u>	<u>\$ (48,351,773)</u>

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on short-term inflows, out-flows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$4,449,874 while total fund balance reached \$6,420,730. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 8.31% of total general fund expenditures, while total fund balance represents 12.0% of that same amount.

The fund balance of the City's general fund increased by \$2,738,973 during the current fiscal year.

Revenues from interest and earnings on investments have increased in 2010. Operating and Capital funds are maintained in money market accounts and moved into disbursement and clearing accounts only as needed.

City revenues increased due to an increase of real property taxes in the amount of \$1.2 million and an increase in miscellaneous revenues of \$1.7 million of which a majority of the increase

was in Refund of Prior Year expense due to the over accrual of funds for retroactive salary payments.

Although the City made decreased expenses in General Government, Public Safety and Home & Community Services by nearly \$1.5 million, the increase in expenses of \$3.4 million due to rising employee benefit costs, transportation costs, and debt service more than offset that decrease leaving a net increase of nearly \$ 1.7 million in city expenses.

City Revenues

Governmental Funds – General Fund (Budget Basis) as of 12/31/2010

Revenue	Amount	Percent
Real Property Taxes	\$ 31,140,116	55.13%
Other taxes	10,440,339	18.48%
Charges for current services	1,347,987	2.39%
Use of Money and property	128,233	0.23%
Licenses and permits	181,925	0.32%
Fines and forfeitures	480,048	0.85%
Sales of property	214,148	0.38%
Miscellaneous	1,939,171	3.43%
Interfund revenues	693,779	1.23%
State Aid	9,916,742	17.56%
Federal Aid	-	0.00%
Total Revenues	<u>\$ 56,482,488</u>	<u>100.00%</u>

City Expenditures

Governmental Funds – General Fund (Budget Basis) as of 12/31/2010

Expenses	Amount	Percent
General Government	\$ 5,294,746	10.02%
Public Safety	19,614,228	37.11%
Health	28,718	0.05%
Transportation	2,486,878	4.71%
Culture & Recreation	2,555,277	4.83%
Home & Community Service	1,847,133	3.49%
Employee Benefits	15,398,661	29.14%
Debt Service	5,626,682	10.65%
Total	<u>\$ 52,852,323</u>	<u>100.00%</u>

Proprietary funds. The proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the Internal Service Fund decreased by \$1,392,854 decreasing the net assets from \$(3,375,787) in 2009 to \$(4,768,641) in 2010. The decrease in net assets is attributable to accruing funds for large workers compensation cases per the City's third party administrator. As stated earlier, the activity of the Internal Service Fund predominantly benefits governmental rather than business-type functions and has been included within governmental activities in the government-wide financial statements.

General Fund Budgetary Highlights

There was a difference of \$29,458 between the original budget and final amended budget in 2010, due to a higher than estimate revenue for Sale of Property. The funds were appropriated in the On Street Parking department and used to purchase additional parking meters.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets as of December 31, 2010 amounts to \$145,957,999 (net of accumulated depreciation). This investment in capital assets includes construction in progress, land, buildings, improvements, equipment, park facilities, roads, highways, drainage and sewage treatment, and bridges.

Major capital asset events during the current fiscal year included the following:

Capital construction costs associated with the Consent Order which required the City to improve the waste water treatment plant which is jointly owned by the City of Binghamton and the Village of Johnson City is continuing. The City of Binghamton has a continuous street reconstruction project which added approximately \$10 million to construction in progress.

Additional information on the City's capital assets can be found in Note 5 to the financial statements.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$86,574,412, Bond Anticipation Notes in the amount of \$34,663,786 and a lease obligation of \$1,116,034. Overall long-term debt liabilities and Bond Anticipation Notes decreased by \$4,971,182 during 2010.

The decrease was due to reduction in planned capital projects, capital lease obligations, installment purchase balance, and Due to other Governments. Additional information on the City's debt can be found in Note 7 to the financial statements.

The City did not bond in 2010 and the two new and renewal BANs were given an S&P A-1+ rating in February 2010.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7% of its five-year average full valuation of taxable real property. The City has utilized 64.35% of its statutory debt limit at December 31, 2010.

Economic Factors and Next Year's Budgets and Rates

According to the New York State Department of Labor, the unemployment rate for the City of Binghamton was 9.6% in January 2011, down from 10.0% in January 2010.

The City continues to pursue a resolute approach to develop and expand the commercial and industrial base within the City and is continuing to enforce its central business district as a major retailing, cultural, convention and entertainment center.

The Binghamton area has climbed 60 spots to No. 64 on the Milken Institute's 2009, and remained at 64 again in 2010 on the Best-Performing Cities Index, which ranks the 200 largest metro areas in the U.S. based on job, wage and technology growth and stability.

Construction has been completed on Binghamton University's new \$29 million University Downtown Center. The Washington Street facility is home to the College of Community and Cultural Affairs and puts the faculty, staff and students affiliated with its programs in human development, public administration and social work close to the agencies and organizations with which they collaborate.

As a direct result of Binghamton University's new Center a student housing project featuring 113 fully furnished apartments for 386 students is planned for downtown Binghamton. Newman Development Group is partnering with developer United Group of Companies of Troy, NY to build a multi-floor complex next door to the University Downtown Center.

The City's economic development success is not limited to downtown, but is taking place citywide as businesses continue to take advantage of the positive economic momentum that has developed and the increased customer base that has been generated. Over the past decade the City helped facilitate major developments and expansion projects including Monadnock Paper, Horizon's Federal Credit Union, Team World, F.E. Jones Construction, Manley's Mighty Mart and Orthopedic Associates who have all invested millions of dollars establishing their business in the City.

Lourdes Hospital has begun a three-year, \$70 million construction project to update and expand its medical complex in Binghamton. The project consists of an expanded emergency department, a new MRI facility, two new surgical suites, a flood wall, an ambulatory care building, a two-story main entrance connecting the ambulatory building to the main hospital, an expanded radiology department, and a multi-story parking garage.

In 2010 over 30 municipal jobs were eliminated through attrition and consolidation, which will help streamline operations and save millions of taxpayers' dollars annually. This initiative will make City government more efficient and more responsive to taxpayers.

The 2011 City budget raised the property tax levy by 3.689% for homestead and 7.981% for non-homestead.

Other Potentially Significant Matters

In 2010 the pension cost was \$4.3 million. The estimated costs of 2011 is \$6.96 million.

The former City Treasurer was arrested and charged in August 2010 with third degree Grand Larceny for the theft of \$17,000 after co-workers noticed inconsistencies in the City's records. In April of 2011 she was tried for third degree Larceny but pled guilty to a lesser fourth degree charge. The City carries a Public Employee Dishonesty Policy that covered the City Treasurer position for up to \$250,000 in the case of theft.

In the spring of 2010, the City received information from Broome County regarding \$2,500,000 in outstanding uncollected tax from 2006 and prior. In response to this information the City increased the allowance for receivables and decreased revenue by \$1,000,000, respectively.

The outstanding Police contract was settled in the fall of 2010. Retroactive salary due through December 31, 2009 had been accrued in full at year end.

Requests for Information

This financial report is designed to provide a general overview of the City of Binghamton's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Comptroller's Office, City Hall, 38 Hawley Street, Binghamton, New York, 13901.

CITY OF BINGHAMTON
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

ASSETS	Primary Government	Component Units
Cash	\$ 20,985,802	\$ 1,183,892
Receivables		
Loans, net	11,719,314	1,592,620
Other Receivables, net	9,143,481	29,000
Due From Other Governments	3,490,008	-
State and Federal Aid Receivable	2,508,837	-
Due From Fiduciary Fund	796,155	-
Deposits with Other Governments	1,654,002	-
Investments	-	136,954
Prepaid Expenses	1,143,019	-
Inventories	28,705	-
Capital Assets, net of accumulated depreciation	145,957,999	514,632
Total Assets	197,427,322	3,457,098
LIABILITIES		
Payables		
Accounts Payable	2,214,938	13,367
Accrued Liabilities	11,521,572	-
Other Liabilities	557,979	-
Contract retentions	282,419	-
Due to Other Governments	1,148,787	-
Bond Anticipation Notes	34,663,786	-
Accrued Interest	1,324,951	-
Deferred Revenues	410,584	-
Long-term Liabilities		
Due and Payable Within One Year		
Compensated Absences Payable	321,509	-
Capital Lease Obligation	151,018	-
Bonds Payable	7,000,412	-
Due and Payable After One Year		
Compensated Absences Payable	2,906,567	-
Capital Lease Obligation	965,016	-
Bonds Payable	83,962,000	-
Other Post Employment Benefits	20,730,806	-
Total Liabilities	168,162,344	13,367
NET ASSETS		
Investments in Capital Assets Net of Related Debt	23,603,767	-
Restricted For:		
Community Development Projects	13,074,373	-
Debt Service	60,900	-
Other Purposes	-	3,430,592
Unrestricted	(7,474,062)	13,139
Total Net Assets	\$ 29,264,978	\$ 3,443,731

See the accompanying notes to financial statements.

THE CITY OF BINGHAMTON, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

		Program Revenues			Net (Expense) / Revenue & Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities and Totals	Component Units
FUNCTIONS/PROGRAMS						
<u>Primary Government</u>						
General Government Support	\$ (9,643,692)	\$ 1,713,279	\$ -	\$ -	\$ (7,930,413)	\$ -
Public Safety	(36,578,402)	1,816,212	-	540,349	(34,221,841)	-
Health	(53,643)	1,934	-	-	(51,709)	-
Transportation	(4,543,553)	1,076,418	-	765,047	(2,702,088)	-
Culture and Recreation	(4,167,679)	174,489	-	-	(3,993,190)	-
Home and Community Services	(22,061,901)	17,387,328	5,529,276	3,810,273	4,664,976	-
Debt Service	(4,117,508)	-	-	-	(4,117,508)	-
Total governmental activities	\$ (81,166,378)	\$ 22,169,660	\$ 5,529,276	\$ 5,115,669	(48,351,773)	-
<u>Component Units</u>						
BURA	\$ (57,105)	\$ 26,216	\$ 50,000	\$ -	\$ -	\$ 19,111
BLDC	(429,635)	2,000	426,564	-	-	(1,071)
Total component units	\$ (486,740)	\$ 28,216	\$ 476,564	\$ -	\$ -	\$ 18,040
General Revenues:						
Taxes						
Property Taxes, Levied for General Purposes					31,140,116	-
Real Property Tax Items					10,440,339	-
Investment Earnings and Rental Fees					895,034	76,695
State Aid					9,957,769	-
Miscellaneous					1,629,031	16,790
Refund of Prior Year Expenditures					1,905,431	
Loss on Sale of Property and Compensation for Loss					(369,354)	-
Total General Revenues					55,598,366	93,485
Transfers to Fiduciary Fund					(32,000)	-
Change in Net Assets					7,214,593	111,525
Net Assets, Beginning of Year					22,050,385	3,332,206
Net Assets, End of Year					\$ 29,264,978	\$ 3,443,731

See the accompanying notes to financial statements.

THE CITY OF BINGHAMTON, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Special Revenue Funds					
	General	Community Development Block Grants	Sewer Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS AND OTHER DEBITS						
Cash	\$ 4,424,496	\$ 131,144	\$ 3,490,842	\$ 11,995,209	\$ 944,111	\$ 20,985,802
Taxes receivable (net)	251,473	-	-	-	-	251,473
Loans receivable (net)	-	11,719,314	-	-	-	11,719,314
Other receivables (net)	253,465	-	3,503,241	-	2,482,736	6,239,442
State and Federal receivables	22,935	1,553,557	-	928,211	4,134	2,508,837
Due from other funds	635,038	-	-	405,801	-	1,040,839
Due from Fiduciary Fund	54,919	-	1,225	528,164	3,700	588,008
Due from Proprietary Fund	1,429,337	-	-	-	-	1,429,337
Due from other governments (net)	3,487,668	-	-	2,340	-	3,490,008
Prepaid Expenses	1,143,019	-	-	-	-	1,143,019
Inventories, at cost	28,705	-	-	-	-	28,705
Deposits with Others	-	-	45,068	1,517,487	91,447	1,654,002
Total Assets	\$ 11,731,055	\$ 13,404,015	\$ 7,040,376	\$ 15,377,212	\$ 3,526,128	\$ 51,078,786
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 459,107	\$ 415,711	\$ 24,018	\$ 1,065,393	\$ 232,981	\$ 2,197,210
Accrued liabilities	3,384,642	22,530	4,711,917	3,966	9,390	8,132,445
Contract retentions	-	3,724	-	278,695	-	282,419
Due to other funds	-	457,641	-	-	583,198	1,040,839
Due to Fiduciary Fund	-	367,780	-	-	-	367,780
Due to Proprietary Fund	-	4,235	-	-	-	4,235
Other Liabilities	323,402	-	7,173	-	23,710	354,285
Due to other governments	1,143,174	-	-	3,560	2,053	1,148,787
Bond Anticipation Notes Payable	-	-	-	34,663,786	-	34,663,786
Deferred revenue	-	11,719,314	1,440,229	410,584	1,321,354	14,891,481
Total Liabilities	5,310,325	12,990,935	6,183,337	36,425,984	2,172,686	63,083,267
Fund Balances						
Reserved for:						
Encumbrances	343,671	818,414	2,848	6,286,174	62,210	7,513,317
Debt	55,461	-	2,286	-	3,153	60,900
Inventories	28,705	-	-	-	-	28,705
Prepaid Expenses	1,143,019	-	-	-	-	1,143,019
Unreserved						
Designated for subsequent year						
General Fund	400,000	-	-	-	-	400,000
Special Revenue Funds	-	-	590,685	-	-	590,685
Undesignated						
General Fund	4,449,874	-	-	-	-	4,449,874
Special Revenue Funds	-	(405,334)	261,220	-	1,288,079	1,143,965
Capital Projects Funds	-	-	-	(27,334,946)	-	(27,334,946)
Total fund balance	<u>6,420,730</u>	<u>413,080</u>	<u>857,039</u>	<u>(21,048,772)</u>	<u>1,353,442</u>	<u>(12,004,481)</u>
Total Liabilities and Fund Balances	\$ 11,731,055	\$ 13,404,015	\$ 7,040,376	\$ 15,377,212	\$ 3,526,128	\$ 51,078,786

See the accompanying notes to the financial statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2010

Total Fund Balances - Governmental Funds	\$ (12,004,481)
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	145,957,999
Internal Service fund, a proprietary fund, is used by management to charge the costs of insurance activities to individual funds. The assets and liabilities of the internal service fund are included in the statement of net assets.	(4,768,641)
Enterprise fund, a proprietary fund, is used by management to record activities related to the Regency Hotel. The assets and liabilities of the proprietary fund are included in the statement of net assets	(1,430,220)
Deferred revenues are not available to pay current period expenditures and are therefore, deferred in the funds.	14,480,897
Accrued interest payable is not reported in the governmental funds	(1,321,248)
Other Post-Employment Benefits (OPEB) Payable	(20,730,806)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(90,918,522)
Net Assets of Governmental Activities	\$ 29,264,978

See the accompanying notes to financial statements.

THE CITY OF BINGHAMTON, NEW YORK
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 DECEMBER 31, 2010

		SPECIAL REVENUE FUNDS					
		General	Community Development Block Grant	Sewer Fund	Capital Projects	Other Governmental Funds	Total Government Funds
REVENUES							
Real property tax	\$	31,140,116	\$ -	\$ -	\$ -	\$ -	\$ 31,140,116
Other taxes		10,440,339	-	-	-	-	10,440,339
Charges for current services		1,307,455	123,093	7,424,284	-	9,255,699	18,110,531
Intergovernmental Charges		40,532	-	-	-	-	40,532
Use of money and property		128,233	6,057	524,933	-	235,811	895,034
Licenses and permits		181,925	-	-	-	-	181,925
Fines and forfeitures		480,048	-	-	-	-	480,048
Sales of property		214,148	-	-	44,087	-	258,235
Refund of Prior Year Expenditures		1,905,431	-	-	-	-	1,905,431
Miscellaneous		33,740	-	-	590,903	86,009	710,652
Interfund revenues		693,779	-	-	-	130,052	823,831
State aid		9,916,742	-	-	3,157,193	-	13,073,935
Federal aid - ARRA		-	441,696	-	160,466	-	602,162
Federal aid		-	3,669,569	-	1,387,426	1,620,111	6,677,106
Total Revenues		56,482,488	4,240,415	7,949,217	5,340,075	11,327,682	85,339,877
EXPENDITURES							
General Government		5,409,481	-	93,902	-	108,035	5,611,418
Public Safety		19,577,488	-	-	-	-	19,577,488
Health		28,635	-	-	-	-	28,635
Transportation		2,481,245	-	-	-	579,824	3,061,069
Culture & Recreation		2,563,457	-	-	-	58,750	2,622,207
Home & Community Service		1,846,601	4,115,122	4,185,064	-	5,676,103	15,822,890
Capital Projects	-	-	-	-	12,333,966	-	12,333,966
Employee benefits		15,988,043	-	461,384	-	924,990	17,374,417
Debt Service		5,626,682	-	3,114,603	-	2,868,023	11,609,308
Total Expenses		53,521,632	4,115,122	7,854,953	12,333,966	10,215,725	88,041,398
Excess (deficiency) of revenues over expenditures		2,960,856	125,293	94,264	(6,993,891)	1,111,957	(2,701,521)
OTHER FINANCING SOURCES (USES)							
Bonds Redeemed from Appropriations	-	-	-	-	986,401	-	986,401
Proceeds from Serial Bond	-	-	-	-	5,309,412	-	5,309,412
Operating transfer in	-	-	-	-	736,000	57,459	793,459
Operating transfers out		(221,883)	-	(376,000)	-	(278,500)	(876,383)
Total other financing sources		(221,883)	-	(376,000)	7,031,813	(221,041)	6,212,889
Net Change in fund balances		2,738,973	125,293	(281,736)	37,922	890,916	3,511,368
Fund Balances - beginning of year		3,681,757	287,787	1,138,775	(21,086,694)	462,526	(15,515,849)
Fund Balance - end of year	\$	6,420,730	\$ 413,080	\$ 857,039	\$ (21,048,772)	\$ 1,353,442	\$ (12,004,481)

See the accompanying notes to the financial statements.

CITY OF BINGHAMTON
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Net change in fund balances- Total Governmental Funds **\$ 3,511,368**

Amounts reported for governmental activities in the statement of activities
are different because:

Government funds report capital outlays as expenditures while governmental
activities report depreciation expense to allocate those expenditures over
the life of the asset: 9,326,893

Bond proceeds provide current financial resources to governmental
funds, but issuing debt increases long-term liabilities in the statement
of net assets. (5,309,412)

Repayment of long-term debt and other obligations is reported as an
expenditure in governmental funds, but the repayment reduces long-term
liabilities in the statement of net assets. 5,972,416

Revenues in the statement of activities that do not provide current financial resources
are not reported as revenues in the funds. 384,044

Increase in OPEB Liability (4,085,369)

Enterprise Fund - Revenue and expenditures of the Regency Hotel are not included
in the governmental funds (1,192,493)

Internal service fund is used by management to charge risk management activities
to individual funds (1,392,854)

Change in net assets - Statement of Activities **\$ 7,214,593**

See the accompanying notes to financial statements.

CITY OF BINGHAMTON, NEW YORK
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2010

	Enterprise Fund Binghamton Regency Hotel	Internal Service Fund
Assets		
Current Assets		
Cash	-	\$ -
Accounts Receivable	-	63,316
Note Receivable, Current Portion	517,875	-
Due from Government Fund	-	4,235
Due from Fiduciary Fund	<u>575,927</u>	<u>-</u>
Total Current Assets	1,093,802	67,551
Noncurrent Assets		
Note Receivable, Noncurrent Portion	<u>2,071,375</u>	<u>-</u>
Total Assets	<u>3,165,177</u>	<u>67,551</u>
Liabilities		
Current Liabilities		
Accounts Payable	-	17,728
Real Estate Taxes Payable	203,694	-
Notes Payable, current portion	1,081,000	-
Accrued Interest	3,703	-
Due to Government Funds	-	1,429,337
Accrued Liabilities	<u>-</u>	<u>3,389,127</u>
Total Current Liabilities	1,288,397	4,836,192
Noncurrent Liabilities		
Notes Payable	<u>3,307,000</u>	<u>-</u>
Total Liabilities	<u>4,595,397</u>	<u>4,836,192</u>
Net Assets		
Unrestricted	<u>(1,430,220)</u>	<u>(4,768,641)</u>
Total Net Assets	<u>(1,430,220)</u>	<u>(4,768,641)</u>

CITY OF BINGHAMTON, NEW YORK
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Enterprise Fund Binghamton Regency Hotel	Internal Service Fund
Operating Revenues		
Charges For Services	\$ 1,372,944	\$ 1,849,147
Other	-	94,548
	<hr/>	<hr/>
Total Operating Revenues	<u>1,372,944</u>	<u>1,943,695</u>
Operating Expenses		
Departmental Expenses		
Rooms Department	443,719	-
Food Department	521,825	-
Beverage Department	19,644	-
Other Department	3,783	-
General and Administrative	165,520	132,291
Marketing and Sales	79,603	-
Management Fees	46,800	-
Utilities	195,351	-
Repairs and Maintenance	145,401	-
Insurance	35,753	51,276
Real Estate Taxes	192,994	-
Professional Fees	36,297	-
Depreciation	86,161	-
Provision for Incurred Losses	-	369,610
Other Benefits	-	2,783,372
	<hr/>	<hr/>
Total Operating Expenses	<u>1,972,851</u>	<u>3,336,549</u>
Operating Loss	<u>(599,907)</u>	<u>(1,392,854)</u>
Nonoperating Revenues (Expenses)		
Loss on Sale	(617,071)	-
Interest Expense	(26,439)	-
	<hr/>	<hr/>
Total Nonoperating Revenues (Expenses)	<u>(643,510)</u>	<u>-</u>
Loss Before Transfers	(1,243,417)	(1,392,854)
Transfers In	50,924	-
	<hr/>	<hr/>
Change In Net Assets	(1,192,493)	(1,392,854)
Net Assets - Beginning of Year	(237,727)	(3,375,787)
	<hr/>	<hr/>
Net Assets - End of Year	<u><u>\$ (1,430,220)</u></u>	<u><u>\$ (4,768,641)</u></u>

See the accompanying notes to financial statements.

CITY OF BINGHAMTON, NEW YORK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Enterprise Fund Binghamton Regency Hotel	Internal Service Fund
Cash Flows From Operating Activities		
Cash Received From Customers	\$ 1,424,295	1,785,831
Cash Received From Others	-	94,548
Payments To Suppliers	(522,256)	-
Payments To Employees	(719,775)	-
Payments for Taxes	(597,859)	
Payments For Contractual Expenses	(46,800)	(1,880,379)
	<hr/>	<hr/>
Net Cash Provided By (Used In) Operating Activities	<hr/> (462,395) <hr/>	<hr/> - <hr/>
Cash Flows From Noncapital Financing Activities		
Transfers From Other Funds	<hr/> - <hr/>	<hr/> - <hr/>
Cash Flows From Capital And Related Financing Activities		
Interest Paid on Capital Debt	(26,439)	-
Proceeds on Sale of Hotel	1,069,834	-
Principal payment on loan	<hr/> (581,000) <hr/>	<hr/>
	<hr/> 462,395 <hr/>	<hr/> - <hr/>
Net Decrease in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at Beginning of Year	<hr/> - <hr/>	<hr/> - <hr/>
Cash and Cash Equivalents at End of Year	<hr/> - <hr/>	<hr/> - <hr/>
 Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
<hr/> Operating Loss	(599,907)	(1,392,854)
Adjustments to Reconcile Operating Loss To Net Cash Used in Operating Activities		
Depreciation Expense	86,161	-
Changes In Assets and Liabilities		
Receivables, net	51,351	(63,316)
Inventories	-	-
Prepaid Expenses	-	-
Due to Governmental Fund	-	383,260
Accounts Payable	-	12,184
Deposits	-	-
Accrued Liabilities	-	1,060,726
	<hr/>	<hr/>
Net Cash Used in Operating Activities	<hr/> (462,395) <hr/>	<hr/> - <hr/>
Net Non-Cash Activites Related to Sale of Regency Hotel	<hr/> \$ (619,400) <hr/>	

Disclosure of Accounting Policy :

For purposes of reporting cash flows, cash and cash equivalents include all highly liquid instruments purchased with an original maturity of three months or less.

See the accompanying notes to financial statements.

THE CITY OF BINGHAMTON, NEW YORK
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

	Police and Fire Pension Trust Funds	Agency Funds	Total
Assets			
Cash	\$ 1,928	\$ 1,638,717	\$ 1,640,645
Cash-restricted	<u>-</u>	<u>219,507</u>	<u>219,507</u>
Total Assets	<u>\$ 1,928</u>	<u>1,858,224</u>	<u>\$ 1,860,152</u>
Liabilities and Net Assets			
Liabilities			
Accounts Payable	\$ -	\$ 286,075	\$ 286,075
Accrued Liabilities	-	529,064	529,064
Due to Other Governments	-	91,849	91,849
Due to Proprietary Fund	-	575,927	575,927
Due to Governmental Funds	-	220,228	220,228
Deposits held for Others	<u>-</u>	<u>155,081</u>	<u>155,081</u>
Total Liabilities	<u>-</u>	<u>1,858,224</u>	<u>1,858,224</u>
Net Assets	<u>1,928</u>	<u>-</u>	<u>1,928</u>
Total Liabilities and Net Assets	<u>\$ -</u>	<u>\$ 1,858,224</u>	<u>\$ 1,860,152</u>

See the accompanying notes to the financial statements.

THE CITY OF BINGHAMTON, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Police</u> <u>Pension Trust</u>	<u>Fire</u> <u>Pension Trust</u>	<u>Total</u>
ADDITIONS			
Interest	\$ -	\$ -	\$ -
Transfer from Governmental Fund	<u>32,000</u>	<u>-</u>	<u>32,000</u>
Total Additons	<u>32,000</u>	<u>-</u>	<u>32,000</u>
DEDUCTIONS			
Benefits	<u>10,152</u>	<u>15,228</u>	<u>25,380</u>
Total Deductions	<u>10,152</u>	<u>15,228</u>	<u>25,380</u>
Net Gain / (Loss)	21,848	(15,228)	6,620
NET ASSETS			
Beginning of year	<u>(22,457)</u>	<u>17,765</u>	<u>(4,692)</u>
End of year	<u><u>\$ (609)</u></u>	<u><u>\$ 2,537</u></u>	<u><u>\$ 1,928</u></u>

See the accompanying notes to the financial statements.

THE CITY OF BINGHAMTON, NEW YORK
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2010

	Balance Dec. 31, 2009	Additions	Reductions	Balance Dec. 31, 2010
<u>Assets</u>				
Cash	\$ 1,222,665	\$ 416,052	\$ -	\$ 1,638,717
Cash-restricted	219,507	-	-	219,507
Total Assets	\$ 1,442,172	\$ 416,052	\$ -	\$ 1,858,224

<u>Liabilities</u>				
Accounts Payable	\$ -	\$ 286,075	\$ -	\$ 286,075
Accrued Liabilities	579,132	-	50,068	529,064
Due to Other Governments	-	91,849	-	91,849
Due to Proprietary Fund	863,040	-	287,113	575,927
Due to Governmental Funds	-	220,228	-	220,228
Deposits held for Others	-	155,081	-	155,081
Total liabilities	\$ 1,442,172	\$ 753,233	\$ 337,181	\$ 1,858,224

See the accompanying notes to the financial statements.

City of Binghamton, New York

Notes to the Financial Statements

For Year Ended December 31, 2010

Note 1. Summary of Significant Accounting Policies

A. REPORTING ENTITY

The City of Binghamton, which was incorporated in 1867, is governed by the charter and supplemental charter of the City of Binghamton, both as amended, the Second Class Cities Law and other general laws of the State of New York and various local laws and ordinances. The Common Council, which is the legislative body responsible for the overall operation of the City, consists of seven council people. The Mayor serves as Chief Executive Officer and the Comptroller serves as the Chief Fiscal Officer of the City.

The City of Binghamton provides services which include public safety (police and fire), water, sewers, highway and street maintenance, cultural and recreational activities, refuse collection, parking facilities, economic development activities, community development, and general administration.

The accounting and reporting policies of the City relating to the accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City defines its reporting entity in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Statement No. 39 defines the primary government and potential component units and establishes the criteria for which potential component units are included in the reporting entity. Based on the criteria under this Statement, the City has two component units required to be included in the reporting entity. This represents the more significant accounting and reporting policies and practices used in preparation of these financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

Also, the primary government needs to capitalize infrastructure and depreciate all capital assets. This capitalization is required prospectively and retrospectively for fiscal years that ended after June 30, 1981. However, infrastructure acquired prior to 2003, except for the City's Reservoirs, has not been capitalized as required by GASB statement #34. Accordingly, the Independent Auditors' Report on the financial statements is qualified, due to this exception. All current year infrastructure additions have been identified, valued and recorded.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Capital project revenues related to federal and state funded expenditures, are recorded when the expenditure was incurred, even though they may not be collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports the following major governmental funds:

General Fund

The General Fund is the City's general operating fund. It accounts for all financial resources except those required to be accounted for in other funds. Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special

revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt. The general fund is used to account for all activities of the general government not accounted for in some other fund.

Capital Projects Funds

The Capital Projects fund is a major fund which provides funding for large projects which normally cannot be completed in one fiscal year. The fund provides financial accounting for bonding, grants, and funds transferred from other funds. The Capital Projects Fund is composed of six projects. The General Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the Transportation Capital Projects Fund. The Transportation Capital Projects Fund is used to account for infrastructure improvements, some of which are reimbursed by New York State. The Home & Community Service Capital Projects Fund is used to account for activities associated with the provision of water and wastewater services to individuals, organizations and other governmental units within and around the City of Binghamton. The remaining three project funds are Public Safety, Economic Assistance, and Culture & Recreation which are used to account for financial resources attributed to each of these areas.

The Community Development Fund is a Special Revenue Fund used to account for the Community Development Block Grant and other federal sources.

The Sewer Fund is a Special Revenue Fund used to account for the delivery of services to the residents of the City of Binghamton and the charges for these services.

Additionally, the City reports the following fund types:

Special Revenue Funds – nonmajor funds

Special Revenue Funds include Water, Parking Ramp, Golf, and Refuse. These funds are used to account for delivery of services to residents of the City of Binghamton and charges for these services. Also included as a nonmajor special revenue fund is the Section 8 Housing Assistance Fund, which administers the Federal Section 8 Housing Program.

Agency Funds

The Agency Funds are used to account for custodial transactions in which assets equal liabilities. They are fiduciary funds, which are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund, or expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

Proprietary Fund

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's

proprietary fund relates to charging departments for services provided. Operating expenses include administrative costs and payment of claims. All revenue and expenses not meeting this definition are reported as non-operating revenue and expense.

The Internal Service Fund accounts for financing of services provided by one department to other departments of the City, on a cost-reimbursement basis. The following activities are reported in the internal service fund: self-insured workers compensation and GML.

The Enterprise Fund accounts for the financial activity of the Binghamton Regency Hotel. The City of Binghamton took possession of the Binghamton Regency Hotel on February 1, 2007 by directly assuming the hotel's debt to the United States Department of Housing and Urban Development. The City of Binghamton operated the Binghamton Regency Hotel under a management agreement with Newport Hospitality Group, Inc., until February 4, 2009. On February 5, 2009 the City of Binghamton entered into agreement to sell the Binghamton Regency Hotel for \$6,594,665 and another \$100,000 was added to the amount due from the purchaser. From February 5 to October 4, 2009 the purchaser of the Hotel paid the City \$2,494,664.82 toward closing costs, unpaid taxes, loan payments and hotel operational expenses. On October 5, 2009, the purchaser of the Hotel defaulted on the \$4,100,000 mortgage due to the City and filed for bankruptcy. During April 2010 the City took back ownership of the Regency Hotel and operated the hotel under a management agreement. Subsequently, the city sold the Hotel to another buyer during December 2010 for approximately \$3,625,000.

Components Units

The component unit column in the combined financial statements includes the Binghamton Urban Renewal Agency (BURA) and the Binghamton Local Development Corporation (BLDC). These units are reported in a separate column to emphasize that they are legally separate from the City.

The Binghamton Urban Renewal Agency was created in 1963 pursuant to an act of the State Legislature (General Municipal Law, §572). The members of the Agency consists of the Mayor, Comptroller, Corporation Counsel, City Engineer, Commissioner of Public Works and two members of the Common Council. Because of local grants-in-aid, municipal expenditures on behalf of the agency and municipal debt for agency purposes, the agency provides benefits and creates burdens for the City. There are no separate financial statements for this component unit. This unit is comprised of one governmental general fund.

The Binghamton Local Development Corporation was incorporated in 1982 under the not-for-profit corporation law. The corporation is governed by a board of directors consisting of the Mayor, Corporation Counsel, Treasurer, Director of the Department of Development and Community Services, City Director of Finance, and five members at large. The Corporation is fiscally dependent on the City because its' operations are substantially funded by grants received from the City under the Federal Community Development Block Grant and Urban Development Action Grants. The accounts for this component unit represent activity and balances for fiscal year ended August 31, 2010. Audited financial statements for the corporation are available upon request from the City.

The following schedules present condensed financial statements of each of the two discretely presented component units.

**CITY OF BINGHAMTON
CONDENSED BALANCE SHEET
DECEMBER 31, 2010**

	Binghamton	Binghamton Local	
	Urban Renewal	Development Corporation	
	Agency	(8/31/10)	Totals
ASSETS			
Cash	28,681	\$ 1,155,211	\$ 1,183,892
Loans Receivable (net)	-	1,592,620	1,592,620
Grant Receivable	-	29,000	29,000
Investments	-	136,954	136,954
Land	446,632	68,000	514,632
Total Assets	475,313	\$ 2,981,785	\$ 3,457,098
	Binghamton	Binghamton Local	
	Urban Renewal	Development Corporation	
	Agency	(8/31/10)	Totals
LIABILITIES			
Accounts Payable	\$ 5,655	\$ 7,712	\$ 13,367
Total Liabilities	5,655	7,712	13,367
NET ASSETS			
Restricted	466,632	2,963,960	3,430,592
Unrestricted	3,026	10,113	13,139
Total Equity	469,658	2,974,073	3,443,731
Total Liabilities and Net Assets	\$ 475,313	\$ 2,981,785	\$ 3,457,098

**CITY OF BINGHAMTON
CONDENSED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN NET ASSET
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Binghamton Urban Renewal Agency
Revenues	\$ 76,223
Expenditures	
Home and Community Services	57,105
Excess of revenues over expenditures	19,118
Net Assets - beginning	450,540
Net Assets - Ending	\$ 469,658

CITY OF BINGHAMTON
CONDENSED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Binghamton Local Development Corporation (8/31/10)
Operating Revenues	\$ 522,042
Operating Expenses	
Home and Community Services	429,635
Net Income	92,407
Net Assets - beginning	2,881,667
Net Assets - ending	\$ 2,974,074

The City has elected to apply all Governmental Accounting Standards Board (GASB) pronouncements, applicable Financial Accounting Standards Board (FASB) pronouncements, and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Joint Venture - Binghamton-Johnson City Joint Sewage & Waste Water Treatment Plant

The City jointly operates a sewage treatment operation with the Village of Johnson City. The operation is jointly controlled and the City has an ongoing financial responsibility for and an equity interest in the joint venture. The equity interest in the joint venture generally represents equity primarily in capital assets and therefore has been reflected in the statement of net assets and in Note 5.

Related Organization

The Binghamton Housing Authority was created in 1957 pursuant to an act of the State Legislature. It is governed by seven members, five of whom are appointed by the Mayor. The Authority designates management and exercises complete responsibility for all fiscal matters.

D. Budgetary Data

The "Budget Basis" utilizes the modified accrual basis of accounting. Current year encumbrances are included with expenditures. Unencumbered appropriations for all budgets lapse at fiscal year end. Formal annual operating budgets are adopted by the Common Council for the General Fund, Golf, Parking Ramps, Water, Refuse and Sewer Funds. Other Special Revenue Funds and the Capital Fund do not have annual budgets since grant awards and revenues received under other contractual requirements recorded in these funds span more than a single fiscal year.

Encumbrances represent commitments related to unperformed contracts for goods, or services. Encumbrance accounting--under which purchase orders, contracts and other commitments for the

expenditure of resources are recorded to reserve that portion of the applicable appropriation--is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservation of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from previous years.

Procedures followed in establishing data reflected in the financial statements are as follows:

- 1) On or before July 25 of each year, all agencies of the City submit requests for appropriations to the Mayor so that a budget may be prepared. Except for employee benefits, the budget is prepared by fund, function, activity and object of expenditure, and includes information on the past year, current year estimated, and requested appropriations for the next fiscal year.
- 2) On or before September 15th, the proposed budget is presented to the City's Common Council for review. The Common Council holds public hearings and adopts the budget no later than 45 days after receipt. Common Council has the authority to diminish, reject or increase any item when contained within said estimate with the exception of the indebtedness, the sums directed by the Broome County Legislature to be levied within the City for State and County purposes, or the sums lawfully payable within said fiscal year upon judgments. Should the net effect of any such budget revisions cause an increase in the revenue estimates for the annual budget, no such increase shall be effective unless the Chief Fiscal Officer of the City of Binghamton shall certify to the Board of Estimate and Apportionment and the City council that the budget estimate, as amended and adopted by the City Council is balanced in accordance with accepted standards for local government finance. The budgets are not subject to referendum.
- 3) Expenditures may not legally exceed appropriations at the department level.
- 4) The legal level of budgetary control whereby expenditures may not exceed appropriations is maintained at the department level. Intra departmental transfers are authorized by the Comptroller and inter departmental transfers are authorized by Common Council. Special revenue fund budgets are adopted on a total fund level.
- 5) Common Council may increase the appropriations budget during the fiscal year for grants and bonding authorizations where additional revenues not involved in the original adopted budget are identified. During fiscal year 2010, one supplemental appropriation was approved for \$29,458 by Council in the General Fund.

E. Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

State and local statutes authorize the City to invest in obligations of or guaranteed by the U.S. Treasury, and New York State and local bonds and notes guaranteed by the state or local government. Investments are stated at fair value. The City did not hold any investments as of December 31, 2010.

F. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (E.G. roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized. The City recorded certain infrastructure completed prior to 2003 related to City reservoirs totaling \$5,696,991 during 2007. All other infrastructure completed prior to 2003 have not yet been reflected in the financial statements.

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings	30-60
Improvements other than buildings	10-20
Infrastructure	5-60
Water System	65
Equipment	6-15

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

H. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are not reported in the fund financial statements, but are reported in the government-wide financial statements. In accordance with the provisions of GASB-16, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. This amount was calculated using the Termination Payment method. In addition, an accrual was added for payment of F.I.C.A./Medicare.

I. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is not reported in the governmental fund statements but is reported in the government-wide financial statements.

J. Fund Equity Classifications

Government-wide Statements

In the government-wide statement there are three classes of net assets:

- Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Unreserved fund balance consists of two classifications. A designation of reserved fund balance indicates the planned use of these resources in the subsequent years’ budget. The undesignated portion reports remaining fund balance that has not been designated or reserved.

Fund balance reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. Significant estimates made by the City in the determination of recorded assets and liabilities include, but are not limited to, allowances for uncollectible property taxes and other receivables, depreciation, and reserves for self-insurance claim liabilities.

M. Prepaid Expenses

Prepaid expenses represent payments made by the City for which benefits extend beyond year-end. The General Fund prepaid expenses for the year ended December 31, 2010 represent a payment to the New York State Retirement system to reflect costs applicable to future accounting periods and is recorded as prepaid expenses in both the government-wide and fund financial statements. The prepaid expense is reported as assets on the statement of net assets or balance sheet using the consumption method.

Note 2. Stewardship Compliance and Accountability

A deficit in the undesignated portion of the fund balance of the Capital Projects Funds arises because funds were borrowed on a Bond Anticipation Note (BAN), which is not recognized as revenue. These BANs in the amount of \$31,126,798 and \$3,536,988 matured on 02/04/11 and 06/21/11, respectively.

A deficit in the undesignated portion of the fund balance of the Golf Fund portion of the Special Revenue Funds resulted from poor attendance at the golf course during the 2009 season. In 2010 the City entered into a 3-year agreement to lease operations of the golf course from February 1, 2010 to January 31, 2013 and in April of 2011 extended the agreement for 2 additional years.

The deficit in the undesignated portion of the fund balance of the Parking Ramp portion of the Special Revenue Funds, decreased by approximately \$148,000 due to a rate increase in 2009 which enhanced revenues. In December of 2011 rates were increased again.

A deficit in the undesignated portion of the fund balance of the Refuse portion of the Special Revenue Funds resulted from increased costs of bag production retroactive to 2005. The City passed legislation in November 2010 increasing the cost of bags for consumers and instituting a sticker system for trash item pickup. The increase in and addition of fees will enhance revenues in the fund.

A deficit in the Net Assets of \$4,768,641 in the Internal Service Fund at year end is the result of increases in the estimated liability in workers compensation.

The City has a \$1,430,220 deficit as of December 31, 2010 in The Binghamton Regency Hotel Enterprise Fund. The City sold the Hotel in December 2010.

Note 3: Deposits and Investments

The following risk assessments apply to cash, cash equivalents, and investments of the primary

government and the component units.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, it is the City's policy to generally limit investments to 90 days or less. Consequently, money market accounts and certificates of deposits are classified as cash equivalents.

Credit Risk. In compliance with NYS law, the City's investments are limited to obligations of the United States of America, obligations guaranteed by the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State of NY, special time deposits, and certificates of deposit. Obligations of other NY jurisdictions may be included with the approval of the State Comptroller.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In compliance with NYS law, City deposits (above FDIC limits) and investments are protected with custodial agreements which require that government securities, equal to or greater than 102% of the daily investment, are held by a third party in the City's name.

Concentration of Credit Risk. To promote competition in rates and service cost, and to limit the risk of institutional failure, City deposits are placed in multiple institutions. City Council designates certain banks and trust companies as depositories.

Deposits. On December 31, 2010, the carrying amount of the City's deposits was \$20,838,621 and the bank balances were \$23,770,053. The City's deposits in banks at December 31, 2010, were entirely covered by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

At year-end, the deposits were reported in the basic financial statement in the following categories:

	Government	Fiduciary	Enterprise	Component
	<u>Activities</u>	<u>Funds</u>	<u>Fund</u>	<u>Units</u>
Cash	\$ 20,985,802	\$ 1,640,645	\$ -	\$ 1,183,892
Cash-Restricted	-	219,507	-	-
Total	\$ 20,985,802	\$ 1,860,152	\$ -	\$ 1,183,892

Component Units:

BLDC – The carrying amount of deposits was \$1,155,211 all of which was covered by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department or agent in BLDC's name.

BURA – The carrying amount of deposits was \$28,681 all of which was covered by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department or agent in BURA's name.

Pursuant to G.M.L. §10, the City has collateral agreements with J. P. Morgan Chase Bank, and Manufacturers and Traders Trust Co.

Investments. The City's investments are categorized as either (1) insured or registered or for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the counterpart's trust department or agent in the City's name or (3) uninsured and unregistered for which the securities are held by the counterpart, or by its trust department or agent but not in the City's name. At year-end, the City did not have any investments.

Note 4. Receivables

Receivables at December 31, 2010 consist of the following: (expressed in thousands)

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Receivables				
Taxes	\$ 251	\$ -	\$ -	\$ 251
Loans	-	11,719	-	11,719
Other	1,818	5,986	-	7,804
Federal & State Receivables	23	1,558	928	2,509
Other Governments	<u>4,488</u>	<u>-</u>	<u>2</u>	<u>4,490</u>
Gross Receivables	6,580	19,263	930	26,773
Less: Allowance for Uncollectible	<u>(2,565)</u>	<u>-</u>	<u>-</u>	<u>(2,565)</u>
Net Total Receivables	<u>\$ 4,015</u>	<u>\$ 19,263</u>	<u>\$ 930</u>	<u>\$ 24,208</u>

The Taxes Receivable in the General Fund represents the amount due from Broome County for the settlement on the 2010 tax warrant.

The Loans Receivables in the Special Revenue Funds are primarily Community Development Block Grant (CDBG) loans which are not expected to be collected within one year due to the nature of the CDBG loan.

Accounts Receivable in General Fund and Special Revenue Funds are amounts due the City for tax lien sales, ambulance services, water and sewer billings, and purchase of City garbage bags.

Federal and State Receivables in the General Fund and Capital represent outstanding state aid and reimbursements for grants.

Property taxes are levied as of January 1, on which date they become a lien on real property. Taxes are based on property values assessed as of March 1 on the previous year. The tax levy is divided into two installments due January 1 and July 1; however, the actual due date is the thirty-first day of January and July, after which the bill becomes delinquent and penalties are assessed at one percent per month. Revenue from real property is recognized in the year the levy is intended to finance, consistent with our basis of accounting pursuant to note 1(c).

The City of Binghamton and Broome County entered into an Intermunicipal Agreement effective September 1, 2006 for purposes of tax billing, collection and enforcement of real property taxes for the City of Binghamton and the Binghamton City School District including a transfer of delinquent City and School District taxes, In Rem Agreements, Payment in Lieu of Tax Agreements, and administration of foreclosures. The County will also pay the City in full for each installment of real estate taxes on or before February 15th and August 15th for the January and July installments respectively.

In consideration of the City's assignment and transfer to the County of unpaid City taxes and relieved school taxes, interest, fees, the County paid the City Three Million Dollars (\$3,000,000) upon transfer of unpaid taxes. Payment will be made to the City for any unpaid taxes in excess of \$3,000,000 when actually collected by the County on or before the fifth day of each month for the amount collected during the previous month. The amount to be received is within Other Governments in the above chart.

Note 5. Capital Assets

The following is a summary of changes in the Capital Assets account group during the year ended December 31, 2010:

Class	Balance 12/31/2009	Additions	Deductions	Balance 12/31/2010
Capital Assets not being depreciated				
Land	\$ 4,279,869	\$ -	\$ -	\$ 4,279,869
Construction in progress	75,870,143	12,333,966	3,964,810	84,239,299
Total Capital Assets not being depreciated	\$ 80,150,012	\$ 12,333,966	\$ 3,964,810	\$ 88,519,168
Capital assets being depreciated				
Buildings	\$ 32,940,888	\$ -	\$ -	\$ 32,940,888
Machinery and Equipment	20,233,461	684,508	483,348	20,434,621
Infrastructure	35,029,575	3,964,810	-	38,994,385
Investment in joint venture	18,094,849	-	-	18,094,849
Total Capital assets being depreciated	106,298,773	4,649,318	483,348	110,464,743
Less accumulated depreciation for:				
Buildings	19,371,299	774,648	-	20,145,947
Machinery and equipment	10,980,763	1,003,204	472,830	11,511,137
Infrastructure	6,066,631	1,521,200	-	7,587,831
Investment in Joint Venture	13,398,986	382,011	-	13,780,997
Total accumulated depreciation	49,817,679	3,681,063	472,830	53,025,912
Total Capital assets, being depreciated, net	\$ 56,481,094	\$ 968,255	\$ 10,518	\$ 57,438,831
Total Governmental activities capital assets, net	\$ 136,631,106	\$ 13,302,221	\$ 3,975,328	\$ 145,957,999
Binghamton Regency Hotel				
Land	\$ -	\$ 388,000	\$ 388,000	\$ -
Buildings and Improvements	-	3,578,381	3,578,381	-
Furniture, Fixtures, and Equipment	-	397,665	397,665	-
Accumulated Depreciation	-	(86,161)	(86,161)	-
	-	4,277,885	4,277,885	-
Total	\$ 136,631,106	\$ 17,580,106	\$ 8,253,213	\$ 145,957,999

Depreciation Expense was charged to Governmental Activities as follows:

General Government	\$	1,626,402
Public Safety		344,768
Health		-
Transportation		282,641
Culture and Recreation		187,162
Home and Community Services		1,240,090
Total Governmental Fund Depreciation Expense		3,681,063
Binghamton Regency Hotel Depreciation		86,161
Total Depreciation Expense	\$	<u>3,767,224</u>

The City's equity share of its investment in the Binghamton-Johnson City Joint sewage project has been recorded in the capital assets account group for the year ended December 31, 2010.

Note 6. Risk Management

The City's Corporate Counsel reviews all claims made against the City and estimates liabilities, if any, based on his expertise and experience. All amounts reflected as an estimated liability are at present value with no discount. No annuity contracts have been purchased to satisfy claims.

On June 1, 1985, The City became self-insured for general liability exposure. In 1985, a self-insurance fund was established as an internal service fund to administer the City's insurance program for general liability for all City departments and funds. From June 1, 1985 to December 31, 2010, 2,695 liability claims were served on the City, of which 2,580 are closed and 115 remain open and active claims. The 2,580 cases closed were settled for \$2,659,807 in satisfaction of \$99,826,351 in claimed damages. Active cases have claimed \$19,522,544 in damages, which the City estimates will result in payments of \$283,269 to satisfy these claims.

On July 1, 1995, the City became self-insured for workers' compensation. From July 1, 1995 to December 31, 2010, a total of 1304 workers' compensation claims were made against the City resulting in total payments of \$9,736,614. The City annually appropriates funds for bi-weekly compensation pay awarded to disabled employees or surviving family. The City has reserves of \$3,103,223 to satisfy total incurred losses of \$3,103,223. The City is negotiating workers' compensation premium costs related to reserves for claims filed prior to July 1, 1995 with its then insurance carrier. Effective 12/1/99, the City of Binghamton purchased stop loss insurance for workers' compensation claims with \$1,000,000 annual aggregate or \$350,000 per incident. In the opinion of City officials, annual appropriations, reserves, and the stop loss insurance are sufficient to liquidate the City's obligations.

The City is subject to these claims and lawsuits in the ordinary conduct of its affairs. The City does not believe, however, that the matters referred to above or any other litigated matters to which the City is party, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the City.

Changes in the funds claim liability amounts in 2009 and 2010 follow:

	Balance January 1	Changes in Estimates	Claims Payment	Balance December 31
2009 General Liability / Workers' Compensation	\$ 2,175,111	\$ 1,137,594	\$ 984,840	\$ 2,327,865
2010 General Liability/ Workers' Compensation	\$ 2,327,865	\$ 2,014,097	\$ 952,835	\$ 3,389,127

Note 7. Indebtedness

A. Short Term Debt

The City issued bond anticipation notes to finance capital project expenditures prior to the issuance of permanent long-term debt.

Interest on short-term debt for the year was comprised of:

Interest and Other Charges Paid	\$615,271
Less: Interest accrued in the prior year	(390,969)
Plus: Interest accrued in the current year	<u>218,420</u>
Total Expense	<u>\$442,722</u>

Transactions in short-term debt for the year ended December 31, 2010 are summarized below:

Loan Type	Purpose	Maturity Date	Interest Rate	Balance 12/31/2009	Issued	Redeemed	Balance 12/31/2010
BAN	Various Capital Projects	02/05/2010	1.50%	\$ 10,000,000	-	\$ 10,000,000	-
BAN	Various Capital Projects	02/05/2010	1.65%	16,758,298	-	16,758,298	-
BAN	Wastewater Plant	06/21/2010	0.00%	11,387,006	-	11,387,006	-
BAN	Various Capital Projects	02/04/2011	0.65%	-	31,126,798	-	31,126,798
BAN	Wastewater Plant	06/21/2011	0.71%	-	9,603,336	6,066,348	3,536,988
				<u>\$ 38,145,304</u>	<u>\$ 40,730,134</u>	<u>\$ 44,211,652</u>	<u>\$ 34,663,786</u>

B. Long Term Debt

Interest on Long-term Debt for the Year was composed of:

Interest Paid	\$ 3,891,483
Less: Interest accrued in the prior year	(1,259,532)
Plus: Interest accrued in the current year	<u>1,102,828</u>
Total expense	<u>\$ 3,734,779</u>

Transactions in long-term debt for the year ended December 31, 2010 are summarized below:

	<u>Balance</u> <u>12/31/2009</u>	<u>Issued or</u> <u>Acquired</u>	<u>Redeemed</u>	<u>Balance</u> <u>12/31/2010</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Bonds Payable					
General Obligation Debt	\$ 87,135,000	5,309,412	\$ (5,870,000)	\$ 86,574,412	\$ 5,919,412
Regency Hotel	4,969,000	-	(581,000)	4,388,000	1,081,000
Other Liabilities					
Due to Other Governments	140,497	-	(140,497)	-	-
Compensated Absences	2,668,655	559,421	-	3,228,076	321,509
Capital Lease Obligation	1,260,352	-	(144,318)	1,116,034	151,018
Installment Purchase	51,710	-	(51,710)	-	-
	<u>\$ 96,225,214</u>	<u>\$ 5,868,833</u>	<u>\$ (6,787,525)</u>	<u>\$ 95,306,522</u>	<u>\$ 7,472,939</u>

Due to Other Governments, the Capital Lease Obligation and the Installment Purchase are more fully explained below and each will be liquidated by the General Fund. Compensated absences have been liquidated in the general and other governmental funds as applicable.

General obligation bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 10 to 20 year serial bonds, with equal amounts of principal maturing each year. General obligation bonds currently outstanding and the funds used to repay the long-term debt amounts are as follows:

<u>Fund</u>	<u>Interest Rates</u>	<u>Amount</u>
General	2.6%-5%	\$ 31,317,038
Parking Ramps	2.6%-5%	3,526,951
Water	2.6%-5%	16,169,459
Golf	2.6%-5%	314,419
Sewer	2.6%-5%	35,246,545
Total		<u>\$ 86,574,412</u>

Annual debt service requirements to maturity of general obligation bonds, including interest of \$36,469,226 are as follows:

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2011	\$ 5,919,412	\$ 3,715,962	\$ 9,635,374
2012	6,130,000	3,472,795	9,602,795
2013	5,270,000	3,235,973	8,505,973
2014	5,465,000	3,008,965	8,473,965
2015	4,690,000	2,790,220	7,480,220
2016-2020	21,850,000	10,790,364	32,640,364
2021-2025	19,330,000	6,217,740	25,547,740
2026-2030	12,600,000	2,499,730	15,099,730
2031-2035	4,450,000	636,211	5,086,211
2036-2040	<u>870,000</u>	<u>101,266</u>	<u>971,266</u>
Total	<u>\$ 86,574,412</u>	<u>\$ 36,469,226</u>	<u>\$ 123,043,638</u>

Within the debt above, there are four bonds from the New York State Environmental Facilities Corporation which have interest that will be reduced by a state subsidy. The subsidy is based on the return on an investment maintained by the State of New York and will vary over the life of the issue.

Regency Hotel Section 108 Loans. The City foreclosed on the developer of the Regency Hotel during February 2007 and became directly liable for the Section 108 loans with the U.S. Department of Housing and Urban Development (H.U.D.). The loans require quarterly interest only payments at a variable rate which was 0.50% at December 31, 2010. The Commitment Schedule with H.U.D. is as follows:

<u>Principal Due Date</u>	<u>Commitment Amount</u>
August 1, 2011	\$ 1,081,000
August 1, 2012	1,086,000
August 1, 2013	1,091,000
August 1, 2014	1,130,000
Total	<u>\$ 4,388,000</u>

Due to Other Governments. Effective January 17, 2001, the New York State Police and Fire Retirement System (NYSPFRS) accepted the City's resolution to provide benefits of Section 443(f) for Tier 2 firefighters. The service cost amounted to \$1,089,202 at an interest rate of 6.76%, payable over 10 years (see Note 14). There was no balance outstanding at December 31, 2010.

Capital Lease Obligation. On November 15, 2001, the City entered into an Energy Performance Contract Municipal Lease/Purchase Agreement with Manufacturers and Traders Trust Company in the amount of \$2,140,690 for 15 years at an interest rate of 4.59%.

The above obligation is by contract, a capital lease. While the City has the right to cancel the lease through exercise of a fiscal funding clause, it does not anticipate doing so. At December 31, 2010 and as of the date of this report, the total costs related to the project are not yet available. As a result, sufficient information to report the gross amount of assets recorded by major class cannot be completely

determined. There will be no sublease or contingent rentals.

Minimum future lease payments under the capital lease, as of December 31, 2010, to the expiration of the lease are as follows:

Minimum lease payments			\$ 1,303,449
Less: Imputed Interest			<u>(187,415)</u>
Present Value of Minimum Lease Payments			<u>\$ 1,116,034</u>

The following is a schedule of the repayment of the lease obligation:

	2011		\$ 200,531		
	2012		200,531		
	2013		200,531		
	2014		200,531		
	2015		200,531		
	2016-2017		<u>300,794</u>		
	Total		<u>\$ 1,303,449</u>		

Installment Purchase. An installment purchase agreement was entered into on March 14, 2005 for the purchase of equipment having an original cost of \$242,180 and reflected the present value of future rental payments discounted at the interest rate stated in the agreement of 3.38%. The last payment of the purchase agreement was made during 2010.

Obligations Authorized But Not Issued (General Obligation Serial Bonds)

1	January 19, 1999	99-2	Various Improvements	\$ 390,000
2	August 21, 2000	00-109	Improvements Treatment Plant	2,000,000
3	February 4, 2008	08-2	Various Improvements	2,270,000
4	February 5, 2007	07-4	Various Improvements	2,800,000
5	May 18, 2009	09-2	Various Improvements	8,020,576
				<u>\$ 15,480,576</u>

Note 8. Interfund Assets/Liabilities and Operating Transfers

The following is a summary of interfund transactions for the year ended December 31, 2010.

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
Community Development				
Block Grant	\$ -	\$ 829,656	\$ -	\$ -
Hotel	575,927	-	50,924	-
Internal Service	4,235	1,429,337	-	-
Agency Fund	367,780	1,163,935	32,000	-
General Fund	2,119,294	-	-	221,883
Sewer Fund	1,225	-	-	376,000
Capital Fund	933,965	-	736,000	-
Water Fund	3,450	2,996	-	278,500
Golf Fund	-	422,824	57,459	-
Parking Fund	250	131,508	-	-
Refuse Fund	-	25,870	-	-
	<u>\$ 4,006,126</u>	<u>\$ 4,006,126</u>	<u>\$ 876,383</u>	<u>\$ 876,383</u>

The various amounts due to the general fund relate to receivable in the funds where there is a negative cash position.

Transfers out to the Capital Fund are for Capital project expenditures (\$736,000).

Note 9. Commitments and Contingencies

Tax Certiorari Proceedings - Various tax certiorari proceedings pending against the City as of December 31, 2010 seek reductions in real property tax assessments. The City's Assessment Rolls were changed to full market value for 1994. From 1994 to 1999 approximately 200 cases were filed annually. Since 2000 about 30 cases are filed annually. Negotiations are continuing to settle these cases.

Construction - The City has approximately twenty-two contracts for uncompleted construction projects totaling \$1,467,251 as of December 31, 2010. Proceeds from debt obligation together with current revenue are sufficient to pay for the completion of the contracts. When payments are made on construction projects, a 5% retainage is held until the project is completed and a one year maintenance bond issued on behalf of the contractor.

Deposits with others in the Capital Fund represent bond proceeds and related net accumulated investment income, to be expended for specific construction projects. The amount is currently held on deposit with the New York State Environmental Facilities Corporation.

In 1993 the City utilized a Section 108 loan in the amount of \$1,400,000 to provide permanent financing to a local hotel. The hotel was sold in December 1998. The collateral for the loan is secured by the personal guarantees of the former owners. The term of this loan is 20 years. Principal payments began in 1999. In 2008 the City of Binghamton signed an agreement with HUD to refinance the loan and has been paying interest at variable rates.

The City was not required to pledge its full faith and credit. The required security is limited to future federal grants under the Housing & Community Development Act of 1974, proceeds from foreclosure sale of the property, and if necessary, certain other funds generated by Federal Grant Programs.

Stadium - During 1992 the Binghamton Urban Renewal Agency (BURA) agreed to make certain payments as an incentive for private investment in a municipal stadium development plan located on blighted railroad land. The obligations to Sterling Doubleday L. P. as developer were satisfied in 1996. The other obligation is to the Binghamton Mets Baseball Club, Inc. for a repair, replacement annual payment. The remaining obligation as of December 31, 2010 is as follows:

<u>Fiscal Year Ending</u>	<u>Repair /</u>
<u>December 31</u>	<u>Replacement Payments</u>
2011	50,000
2012	50,000
Total	<u>\$ 100,000</u>

Note 10. Joint Venture

A Sewage project is operated jointly with the Village of Johnson City, under an agreement dated July 14, 1965. The agreement is for an indefinite period. A six member board, three appointed by the City, and three by the Village constitutes the governing body. Ownership of the project, operational and capital costs are shared by the participants in the following ratios:

Binghamton	54.8%
Johnson City	45.2%

The City's share of joint venture debt is included in Note 7. The government body has established charges at rates intended to be self-sustaining to cover all operating costs and debt service. Any shortfall in revenues produced by such charges is to be provided by prorated contributions from participants.

The City's share of fixed assets is included in Note 5.

The City prepares annual financial statements for the joint venture in order to satisfy state reporting requirements. These financial statements are available upon request from the City.

Note 11. Post Employment Health Care Benefits

Employees, vestees and their eligible dependents, upon retirement from the NYS and Local Retirement Systems, are covered for health care benefits pursuant to City Charter. These benefits include hospitalization, major medical and prescription drug services. Benefits are funded by the City on a pay-as-you-go basis. There is a cost sharing of premiums with retirees paying 25%. Upon the death of the covered spouse, the surviving spouse must pay 100% of the monthly premium to continue coverage.

The City also partially reimburses eligible retirees and their spouses the amount of Medicare (part B) that the Social Security Administration deducts from each individual's Social Security check. To be eligible, the individual must be sixty-five years of age or disabled. These benefits are funded by the City on a pay-as-you-go basis. No new participants have been added to the medicare refund since January 1, 1996.

Upon the death of a retiree, the surviving spouse has the option of continuing these benefits. However, to remain a participant, the individual must pay the monthly health insurance premium. If this option is chosen, the City will continue the Medicare reimbursement. If a survivor opts out of the health insurance

				Percentage of		
				Annual OPEB Cost		Net OPEB
Fiscal Year Ended		Annual OPEB Cost		Contributed		Obligation
12/31/2010		\$ 7,599,584		46.20%		\$ 20,730,806
12/31/2009		\$ 12,055,444		30.50%		\$ 16,645,437
12/31/2008		\$ 11,442,378		27.80%		\$ 8,266,489

Funded Status and Funding Progress: As of January 1, 2010, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$82,452,268 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$82,452,268. Actuarial valuations of an ongoing plan involve estimates of the value of report amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits in the current year.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2010, actuarial valuation, the actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is a rate of the expected long-term investment return on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate 10% initially, reduced to an ultimate rate of 5% until 2015. This rate includes 2.5% payroll growth assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 30-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010 is 27 years.

Note 12. Pension Trust Funds

The City maintains residual discontinued single employer, defined benefits pension plans (Police Pension and Fire Pension Fund) which covers retired Police and Fire and surviving widows. These systems were closed to new entrants in 1935. Since 1935, all employees became participants in statewide government required systems, multiple employer and cost sharing public employee pension plans which cover substantially all general employees (New York State and Local Employees Retirement System and New York State and Local Police and Fire Retirement System). There are no separate financial statements for the residual plans.

A. Summary of Significant Accounting Policies

Basis of Accounting. The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Actuarial value of the assets is determined by the fair market value.

B. Plan Descriptions and Contribution Information

Police and Fire Pension Fund (PFPF)

All of the City's full time Police and Fire employees hired between 1912 and 1935 became participants in the PFPF, a single-employer, defined benefit pension plan. There is no employee payroll for these plans. Current membership in the PFPF's is as follows:

<u>Group - as of December 31, 2010</u>	<u>Police</u>	<u>Fire</u>
Retirees and Beneficiaries	2	3
Vested Terminated Employees	0	0
Active Employees	0	0

Surviving widows of retirees are entitled to a uniform monthly benefit, which amounted to \$423 as of December 31, 2010. The City funded the plans with general fund contributions. There were no employee contributions. The funding was estimated using the projected unit credit method.

Annual Required Contributions and Net Pension Obligation

During the year ended December 31, 2010, no contributions were required or made. Significant actuarial assumptions used to compute past year's contributions were the same as those used to compute the net pension obligation. The actuarial value of the assets in the fire pension fund exceeded the actuarial accrued liabilities at December 31, 2010. There was no net pension obligation. The actuarial value of the assets in the police fund did not exceed the actuarial accrued liabilities of December 31, 2010 and the General Fund will transfer funds as needed.

The City transferred \$32,000 from the General Fund to the Police pension Trust during the year ended December 31, 2010. The City transferred \$30,000 from the General Fund in 2009. There were no required contributions for the two preceding years.

C. Financial Statements and Analysis of Funding Progress

THE CITY OF BINGHAMTON, NEW YORK STATEMENT OF PLAN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2010

	Police	Fire	
	Pension Trust	Pension Trust	Total
Liabilities			
Due To/From General Fund	\$ (609)	\$ 2,537	\$ 1,928
Total Liabilities	\$ (609)	\$ 2,537	\$ 1,928
Net Assets	\$ (609)	\$ 2,537	\$ 1,928

THE CITY OF BINGHAMTON, NEW YORK COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2010

ADDITIONS		
Transfer from General Fund	\$ 32,000	
Total Additions	32,000	
DEDUCTIONS		
Benefits	25,380	
Total Deductions	25,380	
Net Gain	6,620	
Net assets		
Beginning of year	(4,692)	
End of Year	\$ 1,928	

Note 13. New York State and Local Employees' Retirement Systems, New York State and Local Police and Fire Retirement Plans, and Deferred Compensation Plan

A. Plan Description

The City of Binghamton participates in the New York State and Local Employees' Retirement System (NYSERS) and the New York State and Local Police and Fire Retirement Systems (NYSPFRS). These systems are cost sharing multiple public employer retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death and disability and optional methods of benefit payments. All benefits generally vest after ten years of credited service.

The New York State Retirement and Social Security Law (NYSRSSL) governs obligations of employers

and employees to contribute and benefits to employees. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany NY 12244.

B. Employee Groups Covered

Nearly all City of Binghamton employees are eligible for membership in the Systems. All employees employed in full-time positions who commenced employment after June 30, 1976 are mandatory members. The total payroll for all employees of the City for the fiscal year 2010 was \$30,948,661 of which \$11,202,549 was attributable to employees covered by the Employees' Retirement System and \$18,162,128 to employees covered by the Police and Fire Retirement System. The remainder represents non-participating employee payroll.

C. Funding Policy

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary for the first ten years of retirement system membership. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions, required to be made by employers to the pension accumulation fund.

The City of Binghamton is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

<u>ERS</u>	Employers Contribution		Employees Contribution	
	As a % of		As a % of	
	<u>Dollars</u>	<u>Covered Salaries</u>	<u>Dollars</u>	<u>Covered Salaries</u>
2010	\$ 1,472,183	11.23%	\$ 148,191	1.13%
2009	859,580	6.75%	159,352	1.42%
2008	1,032,795	8.20%	179,305	2.00%

<u>PFRS</u>	Employers Contribution		Employees Contribution	
	As a % of		As a % of	
	<u>Dollars</u>	<u>Covered Salaries</u>	<u>Dollars</u>	<u>Covered Salaries</u>
2010	\$ 2,812,440	17.38%	\$ -	0.00%
2009	2,649,611	15.08%	\$ -	0.00%
2008	2,707,510	15.50%	\$ -	0.00%

The City's contributions made to the Systems were equal to 100% of the contributions required for each year.

Effective January 17, 2001, the New York State Police and Fire Retirement System accepted the City of Binghamton's resolution to provide the benefits of Section 443(f) for Tier 2 firefighters. The resulting

service cost in the amount of \$1,089,202 was to be paid in 10 equal installments of \$150,299 including interest at 6.76%. The last payment was made during 2010.

The Binghamton Firefighters Local 729, AFLCIO IAFF Union negotiated this benefit. In exchange, the union membership agreed to take a 2% salary decrease to pay the full costs of implementation and adoption of this additional negotiated benefit.

D. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 as amended in 2004. The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The City has entered into an agreement with an independent trustee to manage the plan.

Note 14. Federal and State Funded Programs

The City participates in a number of federal and New York State grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial. Expenditures disallowed by completed audits have generally been immaterial in nature and, accordingly, have been reflected as adjustments to revenues in the year the expenditure was determined to be unallowable.

Note 15. Subsequent Events

Binghamton City Council delayed passing the 2010 Audit ordinance pending the result of a State Audit of the City's financial operations, which encompassed the period of January 2008 to August 2010. This audit report was released in May of 2011. The audit itself consumed internal accounting resources in responding to State auditor demands for well over a year and held up our Single Audit as the same source information (and City staff) was being shared between two groups of auditors.

In September of 2011 Tropical Storm Lee inundated the City with catastrophic flood water – cresting well over the 100 year mark – and led to the first recorded evacuation of the downtown area. City Hall was flooded and many of the records stored in the lower levels had to be stabilized and recovered.

In November of 2011 the partner assigned to Binghamton's local audit was accused of falsifying client tax returns. Upon his entering a guilty plea the City Council resolved to insist he be removed from any interaction with the City audit process; and thus the 2010 Audit did not begin until November of 2011.

On May 16, 2011 a wall collapsed at the Binghamton Johnson City Joint Sewage Treatment Plant which had been part of relatively recent construction and analysis showed reason for a lawsuit against the builder(s). The September 2011 flooding added considerable damage to the already suffering facility. There have been ongoing budget and funding demands required for estimates and FEMA projects to recover the plant to normal operations. It is estimated that as of June 2012 an additional

\$65 million of reconstruction will be required over the next five years. The City of Binghamton is responsible for 54.8% of that amount. FEMA and the State will reimburse for those damages which can be shown to be flood related.

On December 31, 2011 the City of Binghamton turned the administration of the Section 8 Housing Assistance program over to the Binghamton Housing Authority.

In February of 2012 the City Comptroller resigned and the Deputy Comptroller took over as Acting Comptroller. The position of Deputy Comptroller remains vacant at the time of this writing.

In February of 2012 the City bonded for \$13,095,060 in Public Improvement Serial Bonds and \$24,229,857 in Various Purposes Bond Anticipation Notes. At the time of issuance the City was given an A1 rating on bonds and an MIG1 rating on notes by Moody's.

In May of 2012 the City refunded the 2004 and 2005 Series bonds at a more favorable rate, which will save \$779,324 over the next 14 years without extending the original period of indebtedness. As of May 2012 the City has exhausted 68.82% of its debt contracting power.

In May of 2012 the City changed its deferred compensation provider from an independent trustee to the New York State Deferred Compensation Board.

REQUIRED
SUPPLEMENTAL
INFORMATION

THE CITY OF BINGHAMTON, NEW YORK
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
AND ACTUARIAL INFORMATION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

I. SCHEDULES OF FUNDING PROGRESS

<u>Fiscal Year</u> <u>Ending 12/31</u>	<u>Actuarial value</u> <u>of Assets</u>	<u>Actuarial</u> <u>Accrued Liability</u> <u>(AAL)</u>	<u>Funded</u> <u>Ratio</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u>	<u>Covered</u> <u>Payroll</u>
<u>Police Fund</u>					
2006	3,013	67,350	4.47%	64,337	-
2007	(22,368)	41,969	-53.30%	64,337	-
2008	(38,287)	26,050	-146.98%	64,337	-
2009	(22,457)	41,880	-53.62%	64,337	-
2010	(609)	63,728	-0.96%	64,337	-
<u>Fire Fund</u>					
2006	63,450	57,972	109.45%	(5,478)	-
2007	48,222	42,744	112.82%	(5,478)	-
2008	32,993	27,515	119.91%	(5,478)	-
2009	17,765	12,287	144.58%	(5,478)	-
2010	2,537	(2,941)	-86.26%	(5,478)	-

II. SCHEDULES OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year</u> <u>Ending 12/31</u>	<u>Police Fund</u>	<u>Fire Fund</u>
2006	-	-
2007	-	-
2008	-	-
2009	-	-
2010	-	-

III. ACTUARIAL INFORMATION

	<u>Police</u> 12/31/06	<u>Fire</u> 12/31/06
Valuation date	12/31/06	12/31/06
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	*	*
Remaining amortization period	*	*
Asset valuation method	Fair Value	Fair Value
Actuarial assumptions:		
Inflation Rate	0	0
Investment rate of return	4.5%	4.5%
Projected salary increases	N/A	N/A
Cost-of-living adjustments	N/A	N/A

*No additional contributions to the plan based on payroll will occur since there are no present or future employees who can be eligible. As a result, the overfunding will not be amortized to reduce the future contributions. Instead, the excess may be returned to the employer. The City anticipates utilizing the excess funding in either Fund to fund the other fund as needed.

See the accompanying notes to the financial statements.

CITY OF BINGHAMTON
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS - OPEB LIABILITY
FOR FISCAL YEAR ENDED DECEMBER 31, 2010

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
01/01/2008	\$ -	\$ 130,997,882	\$ 130,997,882	0.0%	\$ 24,923,657	525.6%
01/01/2010	\$ -	\$ 82,452,268	\$ 82,452,268	0.0%	\$ 25,756,141	320.1%

See the accompanying notes to financial statements.

THE CITY OF BINGHAMTON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
BUDGET BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	General Fund			Variance
	Original Budget	Modified Budget	Actual	Favorable (Unfavorable)
Revenues				
Property Taxes	\$ 32,499,208	\$ 32,499,208	\$ 31,140,116	\$ (1,359,092)
Other taxes	10,245,000	10,245,000	10,440,339	195,339
Charges for current services	1,250,050	1,250,050	1,307,455	57,405
Intergovernmental charges	30,000	30,000	40,532	10,532
Use of money and property	290,250	290,250	128,233	(162,017)
Licenses and permits	248,000	248,000	181,925	(66,075)
Fines and forfeitures	556,500	556,500	480,048	(76,452)
Sales of property	112,500	141,958	214,148	72,190
Refund of Prior Year Expenditures	-	-	1,905,431	1,905,431
Miscellaneous	155,600	155,600	33,740	(121,860)
Interfund revenues	688,875	688,875	693,779	4,904
State aid	10,278,590	10,278,590	9,916,742	(361,848)
Federal Aid	3,500	3,500	-	(3,500)
Total Revenue	<u>56,358,073</u>	<u>56,387,531</u>	<u>56,482,488</u>	<u>94,957</u>
Appropriated Fund Balance	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>(400,000)</u>
Total All Sources	<u>\$ 56,758,073</u>	<u>\$ 56,787,531</u>	<u>\$ 56,482,488</u>	<u>\$ (305,043)</u>

(Continued)

THE CITY OF BINGHAMTON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
BUDGET BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	General Fund			
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
Expenditures				
Current:				
General Government	\$ 5,760,063	\$ 5,760,063	\$ 5,294,746	\$ 465,317
Public Safety	19,981,756	20,011,214	19,614,228	396,986
Health	28,876	28,876	28,718	158
Transportation	2,346,254	2,346,254	2,486,878	(140,624)
Culture & recreation	2,582,525	2,582,525	2,555,277	27,248
Home & community service	1,970,756	1,970,756	1,847,133	123,623
Employee benefits	17,974,843	17,974,843	15,398,661	2,576,182
Debt service	5,892,041	5,892,041	5,626,682	265,359
Total Expenditures	56,537,114	56,566,572	52,852,323	3,714,249
Other Financing Uses				
Operating transfers out	220,959	220,959	221,883	(924)
Total Expenditures and Other Uses	56,758,073	56,787,531	53,074,206	3,713,325
Excess of revenues and other sources over expenditures and other uses - Budget Basis	\$ -	\$ -	3,408,282	\$ 3,408,282
Add encumbrances at end of year			343,671	
Less encumbrances at beginning of year			(1,012,980)	
Fund Balance-beginning of year			3,681,757	
Fund Balance - end of year			\$ 6,420,730	

See the accompanying notes to financial statements.

THE CITY OF BINGHAMTON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
SEWER FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Original <u>Budget</u>	Modified <u>Budget</u>	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>				
Charges for current services	\$ 7,928,098	\$ 7,928,098	\$ 7,424,284	\$ (503,814)
Use of money and property	546,000	546,000	524,933	(21,067)
Miscellaneous	-	-	-	-
Interfund Revenue	-	-	-	-
Total Revenues	<u>8,474,098</u>	<u>8,474,098</u>	<u>7,949,217</u>	<u>(524,881)</u>
<u>Other Financing Sources</u>				
Interfund Transfer	-	-	-	-
Appropriated fund balance	<u>590,685</u>	<u>590,685</u>	<u>-</u>	<u>590,685</u>
Total	<u>9,064,783</u>	<u>9,064,783</u>	<u>7,949,217</u>	<u>65,804</u>
<u>Expenditures</u>				
Current:				
General government support	93,902	93,902	93,902	-
Home and community service	4,711,296	4,711,296	4,174,344	536,952
Employee benefits	517,279	517,279	461,384	55,895
Debt service	<u>3,366,306</u>	<u>3,366,306</u>	<u>3,114,603</u>	<u>251,703</u>
Total expenditures	<u>8,688,783</u>	<u>8,688,783</u>	<u>7,844,233</u>	<u>844,550</u>
<u>Other Financing Uses</u>				
Operating transfers out	<u>376,000</u>	<u>376,000</u>	<u>376,000</u>	<u>-</u>
Total expenditures and other uses	<u>9,064,783</u>	<u>9,064,783</u>	<u>8,220,233</u>	<u>844,550</u>
Excess of revenues and other sources over (under) expenditures and other uses-Budget Basis	\$ <u>-</u>	\$ <u>-</u>	(271,016)	\$ <u>(271,016)</u>
Add encumbrances at end of year			3,230	
Less encumbrances at beginning of year			(13,950)	
Fund balance - beginning of year			<u>1,138,775</u>	
Fund balance - end of year			\$ <u><u>857,039</u></u>	

See the accompanying notes to the financial statements.

THE CITY OF BINGHAMTON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
GOLF FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>				
Charges for current services	\$ 415,743	\$ 415,743	\$ -	\$ (415,743)
Use of Money and Property	-	-	60,000	60,000
Miscellaneous	-	-	16,325	16,325
Total Revenues	<u>415,743</u>	<u>415,743</u>	<u>76,325</u>	<u>(339,418)</u>
<u>Other Financing Sources</u>				
Interfund Transfer	57,459	57,459	57,459	-
Appropriated Fund Balance	-	-	-	-
Total	<u>473,202</u>	<u>473,202</u>	<u>133,784</u>	<u>(339,418)</u>
<u>Expenditures</u>				
Current:				
Culture and recreation	337,384	337,384	58,634	278,750
Employee benefits	78,359	78,359	48,824	29,535
Debt service	<u>57,459</u>	<u>57,459</u>	<u>57,459</u>	<u>-</u>
Total expenditures	<u>473,202</u>	<u>473,202</u>	<u>164,917</u>	<u>308,285</u>
<u>Other Financing Uses</u>				
Operating transfers out	-	-	-	-
Total expenditures and other uses	<u>473,202</u>	<u>473,202</u>	<u>164,917</u>	<u>308,285</u>
Excess of revenues and other sources over (under) expenditures and other uses-Budget Basis	\$ <u>-</u>	\$ <u>-</u>	(31,133)	\$ <u>(31,133)</u>
Add encumbrances at end of year			182	
Less encumbrances at beginning of year			(298)	
Fund balance - beginning of year			(458,621)	
Fund balance - end of year			\$ <u>(489,870)</u>	

See the accompanying notes to the financial statements.

THE CITY OF BINGHAMTON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
PARKING RAMPS FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>				
Charges for current services	\$ 920,060	\$ 920,060	\$ 983,640	\$ 63,580
Use of money and property	15,000	15,000	1,771	(13,229)
Miscellaneous	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Total Revenues	935,060	935,060	1,010,411	75,351
<u>Other Financing Sources</u>				
Interfund Transfer	-	-	-	-
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>935,060</u>	<u>935,060</u>	<u>1,010,411</u>	<u>75,351</u>
<u>Expenditures</u>				
Current:				
Transportation	600,500	600,500	580,056	20,444
Debt service	<u>334,560</u>	<u>334,560</u>	<u>329,735</u>	<u>-</u>
Total expenditures	935,060	935,060	909,791	25,269
<u>Other Financing Uses</u>				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other uses	<u>935,060</u>	<u>935,060</u>	<u>909,791</u>	<u>25,269</u>
Excess of revenues and other sources over (under) expenditures and other uses-Budget Basis	\$ <u>-</u>	\$ <u>-</u>	100,620	\$ <u>100,620</u>
Add encumbrances at end of year			5,312	
Less encumbrances at beginning of year			(5,080)	
Fund balance - beginning of year			<u>(257,263)</u>	
Fund balance - end of year			\$ <u>(156,411)</u>	

See the accompanying notes to the financial statements.

THE CITY OF BINGHAMTON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
WATER FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>				
Charges for current services	\$ 6,862,303	\$ 6,862,303	\$ 6,994,659	\$ 132,356
Use of money and property	370,000	370,000	173,364	(196,636)
Miscellaneous	1,000	1,000	6,934	5,934
Interfund Revenue	130,052	130,052	130,052	-
Total Revenues	<u>7,363,355</u>	<u>7,363,355</u>	<u>7,305,009</u>	<u>(58,346)</u>
<u>Other Financing Sources</u>				
Interfund Transfer	-	-	-	-
Appropriated fund balance	-	-	-	-
Total	<u>7,363,355</u>	<u>7,363,355</u>	<u>7,305,009</u>	<u>(58,346)</u>
<u>Expenditures</u>				
Current:				
General government	108,035	108,035	108,035	-
Home and community service	3,516,933	3,516,933	2,980,720	536,213
Employee benefits	1,047,133	1,047,133	857,864	189,269
Debt service	2,412,754	2,412,754	2,403,773	8,981
Total expenditures	<u>7,084,855</u>	<u>7,084,855</u>	<u>6,350,392</u>	<u>734,463</u>
<u>Other Financing Uses</u>				
Operating transfers out	<u>278,500</u>	<u>278,500</u>	<u>278,500</u>	<u>-</u>
Total expenditures and other uses	<u>7,363,355</u>	<u>7,363,355</u>	<u>6,628,892</u>	<u>734,463</u>
Excess of revenues and other sources over (under) expenditures and other uses-Budget Basis	\$ <u>-</u>	\$ <u>-</u>	676,117	\$ <u>676,117</u>
Add encumbrances at end of year			54,779	
Less encumbrances at beginning of year			(73,641)	
Fund balance - beginning of year			<u>497,780</u>	
Fund balance - end of year			\$ <u><u>1,155,035</u></u>	

See the accompanying notes to the financial statements.

THE CITY OF BINGHAMTON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
REFUSE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>				
Charges for current services	\$ 1,041,343	\$ 1,041,343	\$ 925,343	\$ (116,000)
Use of money and property	250	250	-	(250)
Miscellaneous	<u>38,750</u>	<u>38,750</u>	<u>37,750</u>	<u>(1,000)</u>
Total Revenues	1,080,343	1,080,343	963,093	(117,250)
<u>Other Financing Sources</u>				
Intefund Transfer	-	-	-	-
Appropriated fund balance	-	-	-	-
Total	<u>1,080,343</u>	<u>1,080,343</u>	<u>963,093</u>	<u>(117,250)</u>
<u>Expenditures</u>				
Current:				
Home and community service	1,049,331	1,049,331	950,421	98,910
Employee benefits	<u>31,012</u>	<u>31,012</u>	<u>18,302</u>	<u>12,710</u>
Total expenditures	<u>1,080,343</u>	<u>1,080,343</u>	<u>968,723</u>	<u>111,620</u>
Excess of revenues and other sources over (under) expenditures and other uses-Budget Basis	\$ <u>-</u>	\$ <u>-</u>	(5,630)	\$ <u>(5,630)</u>
Add encumbrances at end of year			2,611	
Less encumbrances at beginning of year			(1,367)	
Fund balance - beginning of year			<u>(92,905)</u>	
Fund balance - end of year			\$ <u>(97,291)</u>	

See the accompanying notes to the financial statements.

THE CITY OF BINGHAMTON, NEW YORK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	SPECIAL REVENUE FUNDS						
	Section Eight Housing Assistance	Golf Fund	Parking Ramps Fund	Water Fund	Refuse Fund	Total Nonmajor Funds	
Assets							
Cash	\$ 943,911	\$ -	\$ -	\$ 200	\$ -	\$ 944,111	
Cash-restricted	-	-	-	-	-	-	
Loans receivable (net)	-	-	-	-	-	-	
Other receivables (net)	-	2,467	31,450	2,325,035	123,784	2,482,736	
Due from other funds	-	-	-	-	-	-	
Due from Fiduciary Fund	-	-	250	3,450	-	3,700	
State and Federal Receivables	4,134	-	-	-	-	4,134	
Deposits with Others	-	1,151	9,000	77,023	4,273	91,447	
	<u>\$ 948,045</u>	<u>\$ 3,618</u>	<u>\$ 40,700</u>	<u>\$ 2,405,708</u>	<u>\$ 128,057</u>	<u>\$ 3,526,128</u>	
Liabilities and Fund Balance							
<u>Liabilities</u>							
Accounts payable	\$ 1,932	\$ 3,397	\$ 65,603	\$ 69,901	\$ 92,148	\$ 232,981	
Accrued liabilities	4,134	-	-	5,256	-	9,390	
Due to NYS pension system	-	-	-	-	-	-	
Due to other Funds	-	422,824	131,508	2,996	25,870	583,198	
Other liabilities	-	214	-	22,409	1,087	23,710	
Due to other governments	-	2,053	-	-	-	2,053	
Bond Anticipation Notes	-	-	-	-	-	-	
Deferred revenue	-	65,000	-	1,150,111	106,243	1,321,354	
Total Liabilities	<u>\$ 6,066</u>	<u>\$ 493,488</u>	<u>\$ 197,111</u>	<u>\$ 1,250,673</u>	<u>\$ 225,348</u>	<u>\$ 2,172,686</u>	
Fund Balance							
<u>Reserved</u>							
Reserved for encumbrances	570	182	5,312	54,779	1,367	62,210	
Reserved for debt	-	-	2,080	1,073	-	3,153	
<u>Unreserved</u>							
Designated-ensuing years' budget	-	-	-	-	-	-	
Undesignated	941,409	(490,052)	(163,803)	1,099,183	(98,658)	1,288,079	
Total Fund Balance	<u>941,979</u>	<u>(489,870)</u>	<u>(156,411)</u>	<u>1,155,035</u>	<u>(97,291)</u>	<u>1,353,442</u>	
Total Liabilities and Fund Balance	<u>\$ 948,045</u>	<u>\$ 3,618</u>	<u>\$ 40,700</u>	<u>\$ 2,405,708</u>	<u>\$ 128,057</u>	<u>\$ 3,526,128</u>	

See the accompanying notes to the financial statements.

THE CITY OF BINGHAMTON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Section Eight Housing Assistance	Golf Fund	SPECIAL REVENUE FUNDS			Total Nonmajor Funds
			Parking Ramps Fund	Water Fund	Refuse Fund	
REVENUES						
Real property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-
Charges for current services	352,057	-	983,640	6,994,659	925,343	9,255,699
Use of Money and property	676	60,000	1,771	173,364	-	235,811
Licenses and permits	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Sales of property	-	-	-	-	-	-
Miscellaneous	-	16,325	25,000	6,934	37,750	86,009
Interfund revenues	-	-	-	130,052	-	130,052
State Aid	-	-	-	-	-	-
Federal aid	1,620,111	-	-	-	-	1,620,111
Total Revenues	<u>\$ 1,972,844</u>	<u>\$ 76,325</u>	<u>\$ 1,010,411</u>	<u>\$ 7,305,009</u>	<u>\$ 963,093</u>	<u>\$ 11,327,682</u>
EXPENDITURES						
Current						
General Government	\$ -	\$ -	\$ -	\$ 108,035	\$ -	\$ 108,035
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Transportation	-	-	579,824	-	-	579,824
Culture & Recreation	-	58,750	-	-	-	58,750
Home & Community Service	1,727,344	-	-	2,999,582	949,177	5,676,103
Capital Projects	-	-	-	-	-	-
Employee benefits	-	48,824	-	857,864	18,302	924,990
Debt Service	77,056.00	57,459	329,735	2,403,773	-	2,868,023
Total Expenses	<u>1,804,400</u>	<u>165,033</u>	<u>909,559</u>	<u>6,369,254</u>	<u>967,479</u>	<u>10,215,725</u>
Excess (deficiency) of revenues over expenditures	<u>168,444</u>	<u>(88,708)</u>	<u>100,852</u>	<u>935,755</u>	<u>(4,386)</u>	<u>1,111,957</u>
OTHER FINANCING SOURCES						
Bonds Redeemed from Appropriations	-	-	-	-	-	-
Proceeds from Serial Bonds	-	-	-	-	-	-
Operating transfer in	-	57,459	-	-	-	57,459
Operating transfers out	-	-	-	(278,500)	-	(278,500)
Total other financing sources	<u>-</u>	<u>57,459</u>	<u>-</u>	<u>(278,500)</u>	<u>-</u>	<u>(221,041)</u>
Net Change in fund balances	168,444	(31,249)	100,852	657,255	(4,386)	890,916
Fund Balances - beginning of year	<u>773,535</u>	<u>(458,621)</u>	<u>(257,263)</u>	<u>497,780</u>	<u>(92,905)</u>	<u>462,526</u>
Fund Balance - end of year	<u><u>\$ 941,979</u></u>	<u><u>\$ (489,870)</u></u>	<u><u>\$ (156,411)</u></u>	<u><u>\$ 1,155,035</u></u>	<u><u>\$ (97,291)</u></u>	<u><u>\$ 1,353,442</u></u>

See the accompanying notes to the financial statements.